

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1030-01
Bill No.: Truly Agreed To and Finally Passed HB 423
Subject: Health Care; Interstate Cooperation; Federal-State Relations
Type: Original
Date: May 26, 2011

Bill Summary: Establishes the Health Care Compact which pledges member states to improve health care policies within their states.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Department of Transportation, Missouri Department of Conservation, Missouri House of Representatives, and Missouri Senate** assume the proposal would have no fiscal impact on their agencies.

Officials from the **Department of Public Safety - Missouri State Highway Patrol** defer to the Missouri Department of Transportation for response regarding the potential fiscal impact of this proposal on their organization.

Officials from the **Missouri Consolidated Health Care Plan (MCHCP)** state prior to the passage of the Patient Protection and Affordable Care Act, the MCHCP only covered children up to age 25 unless they were disabled. As of Jan. 1, 2011, the MCHCP covers 244 25-year-old children. In 2010, the MCHCP's portion of medical and pharmacy claims for this age group was \$2,942 per member per year. The MCHCP would not be required to cover 25-year-olds under this legislation. The fiscal savings would be less than \$717,848 annually because some disabled children would still be eligible for coverage.

Officials from the **Department of Social Services (DSS) - MO HealthNet Division** state the legislation establishes the Health Care Compact of which Missouri would be a Member State. The legislation will not become effective unless it is approved by the United State Congress. If the legislation is enacted into law in Missouri and approved by Congress then Missouri would have the authority to enact state laws that supercede any federal regulations within the state in the area of healthcare. The fiscal impact would depend on laws passed by the legislature and the provisions of federal law applicable at the time that the compact is enacted and effective. The fiscal impact of this legislation is unknown at this time.

Officials from the **DSS - Division of Legal Services** state the fiscal impact on DSS is unknown. The fiscal impact on the State of Missouri is entirely dependent on the federal government enacting legislation to approve the proposed health care compact and subsequent state legislation enacted after congressional approval.

Officials from the **Department of Insurance, Financial Institutions, and Professional Registration** assume the proposal will have an unknown fiscal impact. The impact of the proposal is contingent on future actions of the compact and the federal government.

ASSUMPTION (continued)

Oversight notes the compact created by of this proposal will not occur until at least two states become Member States of the Compact. Member States are to create the Interstate Advisory Health Care Commission and appoint members. In addition, the compact must receive the consent of the U.S. Congress, but will not be effective unless Congress does not alter the fundamental purpose of the Compact. As a result, **Oversight** assumes any impact related to this proposal will be outside the scope of this fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

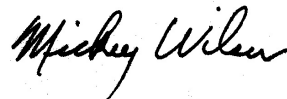
FISCAL DESCRIPTION

This proposal appears to have no fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Insurance, Financial Institutions, and Professional Registration
Department of Social Services
Missouri Department of Transportation
Department of Public Safety -
 Missouri State Highway Patrol
Missouri Department of Conservation
Missouri Consolidated Health Care Plan
Missouri House of Representatives
Missouri Senate

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
May 26, 2011